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Executive Registry

1-1630

26 July 1950

ILLEGIB

L. A. Mouson

MEMORANDUM FOR: ASSISTANT DIRECTOR, OO

FROM: Assistant Director, OCD

SUBJECT: Dissemination of Contact Division's [REDACTED] Report
the "R" (Limited Distribution) category to the
Department of the Army.

W. L. Pforzinger

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OGC HAS REVIEWED.

1. On 4 April 1950, at the request of OO (Contact Division), this Office sent a memorandum to G-2 requesting concurrence in the proposal that certain [REDACTED] reports of particular sensitivity be restricted, within G-2, to the eyes of specific individuals to be named by Contact Division.

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2. G-2 replied on 19 May that this procedure was "not in accordance with Department of the Army Staff procedures and leads to confusion and the opportunity for compromise of sensitive material. It is therefore requested that such practice be discontinued" and, in lieu thereof, that such materials be addressed to the Assistant Chief of Staff, G-2, and the inner envelope marked "TO BE OPENED ONLY BY: Chief, Collection/Dissemination Branch". G-2 further stated that "the above procedure is used by this office in handling sensitive source material and instructions have been issued to field agencies to submit such sensitive material in this manner. You may be assured that any documents forwarded in the manner prescribed will be distributed on a 'need to know' basis".

3. OO, by memo dated 1 June 1950, informed OCD that it did "not believe that G-2's proposal satisfies the extreme security precautions which are necessary for most of the [REDACTED] series of reports, [REDACTED] Public [REDACTED] OO suggested that OCD go back to G-2 and tell them so, proposing again the system first set forth on 4 April and rejected by G-2 on 19 May.

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4. Now G-2, particularly since the outbreak of hostilities in Korea, has been remarkably cooperative with CIA. Instructions have been issued that no request from CIA is to be denied save with the approval of the Assistant Chief of Staff himself, and General Bolling has seen to it that this policy is enforced. In consequence, even the Majors and Captains now tend to act favorably on informal requests from CIA's liaison officers, because they know that if they fail to do so they will shortly receive the same request in writing through formal channels. And if this happens, they will not be able to turn it down save by getting General Bolling's approval - which is not likely to be forthcoming. General Bolling has indicated that, unless there is ex-

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tremely good justification, he is more likely to ask the Major or Captain why he didn't take prompt and favorable action on the request himself.

5. Under these circumstances, I believe that CIA should not refuse G-2's request that we supply sensitive materials for G-2 use through the channel and in the manner desired by G-2. It would be unwise, I think, for us to place ourselves in the position of informing G-2 that its security procedures are not satisfactory to CIA.

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6. Having this in mind, I discussed with [REDACTED] then Acting AD/GO, the possibility that we might be able to meet Contact Division's security requirements and also satisfy G-2. It seems to me that the greatest danger in the [REDACTED] reports is that authorized readers may fail to recognize the security hazard in them. They do not often deal with order of battle, or operational plans, or other subjects which the Army officer recognizes at first glance as sensitive. I suggested that Contact Division might draw up a cover sheet, printed in red, to be put on the face of Limited Distribution reports, along the following lines:

This report is SENSITIVE, and must be handled on a strict NEED-TO-KNOW basis.

In particular, it must not be shown to any civilian consultant or employee, as the information has been obtained from a civilian source only with the firm understanding that it will be very tightly held and will not get into the hands of anyone with business or other connections which might enable him to identify the source, or use the information to the disadvantage of source's business.

7. AD/GO, by memorandum of 12 July 1950, suggests "that 'R' reports be handcarried to the Chief of the Reading Panel in G-2 and their dissemination be discussed with him by a CIA representative; upon a mutual agreement, the reports can then be disseminated to those individuals in G-2 who have a legitimate need to know the information contained therein. ... Only the first report of a series would have to be hand carried and the balance of the distribution could be disseminated on the basis of the first distribution. I would like to further recommend that in the case of "R" series prepared by the Contact Division, a representative of that Division be authorized by you to hand carry them to G-2 after you have processed them for distribution."

8. The above suggestion by AD/GO has been discussed informally with G-2, and G-2 has stated that it is unacceptable; that G-2 has an entirely satisfactory procedure for handling sensitive materials on a need-to-know basis. The Liaison Officer gathered the impression that G-2 did not consider it necessary for a CIA representative to look over the shoulder of the Chief, Collection/Dissemination Branch, in order to make sure that he did his job correctly.

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9. Recommendation. I recommend that AD/OD accept G-2's proposal stated in paragraph (2) above, and that the following additional precautions be taken:

a. Contact Division to prepare an admonitory cover sheet making clear to all who see an "R" report the nature of its sensitivity and the special care which must be taken to ensure that it does not become known to anyone with business connections.

b. That the "R" reports be handcarried by CIA Liaison Officer to the Chief, Collection/Dissemination Branch, in G-2, with the oral request that they be treated as extremely sensitive.

10. Alternatives. I see only two other alternatives, and shall recommend against either of them:

a. That we accept G-2's proposal in writing, but cease in fact to send any "R" reports to G-2.

b. That the Director be asked to sign a letter to the Assistant Chief of Staff, G-2, stating in essence that [REDACTED] reports are so very sensitive that G-2's normal procedures for handling sensitive materials are considered by CIA less than adequate for their protection.

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JAMES M. ANDREWS

cc: Executive
Chief, I&SS
Chief, COAPS
General Counsel ✓
Liaison Division

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